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WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2002

(A COMPONENT UNIT OF THE
WEST BATON ROUGE PARISH POLICE JURY)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/16/03

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INDEPENDENT AUDITOR'S REPORT

February 25, 2003

To the Board of Directors
West Baton Rouge Museum
Port Allen, Louisiana

I have audited the accompanying general purpose financial statements of the West Baton Rouge Museum, a component-unit of the West Baton Rouge Parish Police Jury, as of December 31, 2002, and for the year then ended. These general purpose financial statements are the responsibility of the West Baton Rouge Museum's management. My responsibility is to express an opinion of these general purpose financial statements based on my audit. The prior year summarized comparative information has been derived from the Organization's 1999 financial statements and, in my report dated February 25, 2003, I expressed an unqualified opinion on those statements.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the United States General Accounting Office. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provided a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the West Baton Rouge Museum as of December 31, 2002, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated February 25, 2003, on my consideration of West Baton Rouge Museum's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 2002

(With Comparative Balances for 2001)

	<u>GOVERNMENTAL</u> <u>FUND TYPE</u> <u>GENERAL</u> <u>FUND</u>	<u>ACCOUNT</u> <u>GENERAL</u> <u>FIXED</u> <u>ASSETS</u>	<u>GROUPS</u> <u>GENERAL</u> <u>LONG-TERM</u> <u>DEBT</u>	<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u> <u>2002</u>	<u>2001</u>
<u>ASSETS</u>					
CASH AND CASH EQUIVALENTS	\$394,590	\$-0-	\$-0-	\$90,298	\$95,427
INVESTMENTS	-0-	-0-	-0-	304,292	574,813
AD VALOREM TAX RECEIVABLE	360,933	-0-	-0-	360,933	354,578
REVENUE SHARING RECEIVABLE	3,020	-0-	-0-	3,020	3,019
INVENTORY	969	-0-	-0-	969	1,094
PREPAID BOND SINKING FUND	-0-	-0-	32,562	32,562	
FIXED ASSETS	-0-	275,749	-0-	275,749	234,892
AMOUNT TO PROVIDED FOR RETIREMENT OF COMPENSATED ABSENCES AND LOANS PAYABLE	-0-	-0-	\$225,275	225,275	282,303
TOTAL ASSETS	759,512	275,749	257,837	1,293,098	1,546,126
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES:</u>					
LOANS PAYABLE	\$-0-	\$-0-	\$250,000	\$250,000	\$275,000
ACCOUNTS PAYABLE	3,229	-0-	-0-	3,229	1,381
DUE TO OTHER GOVERNMENTS	14,203	-0-	-0-	14,203	11,473
COMPENSATED ABSENCES	-0-	-0-	7,837	7,837	7,303
DEFERRED REVENUE	387,260	-0-	-0-	387,260	366,370
TOTAL LIABILITIES	404,692	-0-	257,837	662,529	661,527
<u>FUND EQUITY:</u>					
INVESTMENT IN GENERAL FIXED ASSETS	-0-	\$275,749	-0-	275,749	234,892
FUND BALANCE UNRESERVED UNDESIGNATED	354,820	-0-	-0-	354,820	649,707
TOTAL FUND EQUITY	354,820	275,749	-0-	630,569	884,599
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	759,512	275,749	257,837	1,293,098	1,546,126

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUND TYPE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2002
(With Comparative Balances for 2001)

	<u>2002</u>	<u>2001</u>
REVENUES:		
AD VALOREM TAXES	\$356,867	\$329,479
STATE REVENUE SHARING	4,528	4,241
GIFTS & DONATIONS	4,069	2,895
GRANTS - STATE & LOCAL	10,575	15,900
FEES & CHARGES	20,278	18,131
CULTURE & RECREATION	2,073	4,433
INTEREST	10,788	29,142
MISCELLANEOUS	1,502	3,488
	<hr/>	<hr/>
TOTAL REVENUES	410,680	407,709
	<hr/>	<hr/>
EXPENDITURES		
CULTURE AND RECREATION		
CURRENT		
SALARIES	140,866	125,532
BENEFITS	22,318	11,390
ADVERTISING	6,949	4,443
UTILITIES	8,336	7,940
COMMUNICATION	5,560	4,853
RENTALS	3,978	2,883
MAINTENANCE	6,008	6,815
PROFESSIONAL	48,856	24,939
INSURANCE	2,538	1,000
SUPPLIES	15,858	19,958
TRAVEL	2,146	4,109
INTERGOVERNMENTAL	15,453	12,802
GRANTS		1,491
CAPITAL OUTLAY	346,452	30,602
	<hr/>	<hr/>
TOTAL EXPENDITURES	625,318	258,757
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	(214,638)	148,952
OTHER FINANCIAL SOURCES (USES)		
Transfers To Primary Government	(80,250)	(41,500)
	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCIAL USES	(294,888)	107,452
FUND BALANCE, JANUARY 1	649,708	542,256
	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31	354,820	649,708
	<hr/>	<hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL
GOVERNMENTAL FUND TYPE - GENERAL FUND
YEAR ENDED DECEMBER 31, 2002

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES:			
AD VALOREM TAXES	\$350,000	\$356,867	\$6,867
STATE REVENUE SHARING	1,500	4,528	3,028
GIFTS & DONATIONS	4,500	4,069	(431)
GRANTS - STATE & LOCAL	10,500	10,575	75
FEES & CHARGES	17,500	20,278	2,778
CULTURE & RECREATION	2,000	2,073	73
INTEREST	10,000	10,788	788
MISCELLANEOUS	1,525	1,502	(23)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	397,525	410,680	13,155
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
CULTURE AND RECREATION			
CURRENT			
SALARIES	150,000	140,866	9,134
BENEFITS	20,000	22,318	(2,318)
ADVERTISING	7,000	6,949	51
UTILITIES	8,000	8,336	(336)
COMMUNICATION	5,500	5,560	(60)
RENTALS	4,000	3,978	22
MAINTENANCE	7,500	6,008	1,492
PROFESSIONAL	50,000	48,856	1,144
INSURANCE	2,500	2,538	(38)
SUPPLIES	17,000	15,858	1,142
TRAVEL	2,500	2,146	354
INTERGOVERNMENTAL	1,500	15,453	(13,953)
GRANTS			
CAPITAL OUTLAY	95,100	346,452	(251,352)
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	370,600	625,318	(254,718)
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES	26,925	(214,638)	(241,563)
OTHER FINANCIAL SOURCES (USES)			
Transfers To Primary Government	(82,325)	(80,250)	2,075
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCIAL USES	(55,400)	(294,888)	(239,488)
FUND BALANCE, JANUARY 1	649,708	649,708	-0-
	<hr/>	<hr/>	<hr/>
FUND BALANCE, DECEMBER 31	594,308	354,820	(239,488)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

INTRODUCTION

The West Baton Rouge Museum (Museum) is a general museum (history and art) which largely deals with the past and present activities of West Baton Rouge Parish. Permanent and temporary exhibits are housed at the Museum, illustrating the area's history and art, both form this area and further afield. Two historic buildings are also on site and are part of our interpretive program. Numerous educational programs and workshops are held throughout the year.

The West Baton Rouge Museum Board was established by Act No. 120 of the Louisiana Legislature in 1991, under the provisions of Louisiana Revised Statutes 25:1201 through 1213.

The 2000 census population of West Baton Rouge Parish was 21,601. The Museum has about ten thousand visitors annually.

The Museum employes approximately 10 full/part time people.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the West Baton Rouge Parish Museum have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY

Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established Criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Oversight responsibility by the police jury is determined on the basis of the following criteria:

1. Appointment of governing board
2. Designation of management
3. Ability to significantly influence operations
4. Accountability for fiscal matters
5. Scope of public service

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

B. PRINCIPLES DETERMINING SCOPE OF REPORTING ENTITY (Continued)

Because the Police Jury appoints a member of the board, the Museum was determined to be a general purpose of the parish and the governing body with oversight responsibility. The accompanying financial statements present information only on the funds maintained by the Museum and do not present information on the Jury, the general governmental services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The Museum uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Museum are classified as governmental funds. Governmental funds are used to account for all or most of the Museum's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

General Fund - the general operating fund of the Museum accounts for all financial resources, except those required to be accounted for in other funds.

D. BASIS OF ACCOUNTING

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheets.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

D. BASIS OF ACCOUNTING (Continued)

Operating statements of these funds represent increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when received by the collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain.

Property tax revenue is recognized when it becomes available. Available means when due, or past due and the receivables are collected, generally within 60 days after year end.

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues treated as susceptible to accrual are property taxes and certain state shared revenues.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. BUDGETS

The Museum uses the following budget practices:

1. Annually, in the fall of each year, the museum submits a proposed operating budget for the general fund, prepared on the GAAP basis, to the Board of Control for adoption.
2. The Museum's budget is included in the Parish Council's budget who conducts public hearings on the budget, which must be adopted by December 15. For the year ended December 1993, public notices affording the public the opportunity to participate in the budget process, appeared in the November issue of the West Side Journal, the official journal of the parish.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

E. BUDGETS (Continued) :

3. Budget amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the respective Board of Control.
4. All unencumbered budget appropriations, lapse at the end of each fiscal year.

F. ENCUMBRANCES

The Museum does not follow the encumbrance method of accounting.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest bearing demand deposits and money market accounts. Under state law, the Museum may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

H. INVENTORIES

Inventories are recorded at cost and consist of museum gifts for sale.

I. PREPAID ITEMS

Insurance and similar services which extend over more than one accounting period have been recognized as expenditures when paid.

J. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructure is not capitalized. Construction period interest is immaterial and is not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. All other cost were available.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

K. COMPENSATED ABSENCES

Employees earn vacation (annual leave) in varying amounts according to years of service as follows:

After 1 year of continual service - 2 weeks
After 5 years of continual service - 3 weeks
After 15 years of continual service - 4 weeks
After 20 years of continual service - 5 weeks

Sick leave shall accrue at the rate of one working day of leave for each full month of the employee's service. No maximum on accumulated leave.

An employee resigning shall be compensated for vacation leave (only) accumulated to the date of separation, not to exceed three hundred hours.

L. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

M. TOTAL COLUMN ON COMBINED STATEMENTS

Total Column on the Combined Statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to consolidation. Inter-fund eliminations have not been made in the aggregation of this data.

**WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2002 follows:

<u>FUND</u>	<u>MILLS</u>	<u>EXPIRATION DATE</u>	<u>PROPERTY ASSESSED VALUATIONS</u>	<u>TAXES ASSESSED FOR GENERAL PURPOSES</u>
General Fund Museum Tax	2.00	2013	\$221,504,880	\$382,730

The following are the principal taxpayers for the parish:

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>% OF TOTAL ASSESSED VALUATION</u>	<u>AD VALOREM TAX REVENUE FOR MUSEUM</u>
Dow Chemical Co	Chemicals	\$35,207,020	15.89%	\$70,414
Exxon Corporation	Oil Storage	15,780,010	7.13%	31,560
Borden Chemical	Chemicals	11,179,390	5.04%	22,359
Placid Refining Co	Oil Refinery	9,291,380	4.19%	18,583
Cargil, Inc.	Grain	7,597,990	3.44%	15,196
Totals		79,055,790	35.69%	158,112

NOTE 4 - CASH AND CASH EQUIVALENTS

At December 31, 2002, the Museum has cash and cash equivalent (book balances) totaling **\$90,298**.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At **December 31, 2002**, the Museum had **\$91,145** in deposits (collected bank balances).

These deposits are insured from risk by **\$91,145** of federal deposit insurance and **\$2,030,090** of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - INVESTMENTS

Investments held at **December 31, 2002**, consist of **\$304,292** in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.126, the investment in LAMP at **December 31, 2002**, is not categorized in the three risk categories provided by GASB Codification Section I50.125 because the investments is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is the provided a safe environment for the placement of public funds is short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivision of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States Corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the stat treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - RECEIVABLES

A. A Summary of Receivables as of December 31, 2002, Follows:

	<u>CLASS OF RECEIVABLES</u>		<u>TOTAL</u>
	<u>TAXES:</u> <u>AD</u> <u>VALOREM</u>	<u>INTER-</u> <u>GOVERNMENTAL</u> <u>SHERIFF</u>	
General Fund	\$360,933	\$3,020	\$363,953
	<u> </u>	<u> </u>	<u> </u>

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income.

The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

NOTE 5 - CHANGES IN FIXED ASSETS

A. A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>1/1/02</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/02</u>
Aillet House	\$112,500	\$-0-	\$-0-	\$112,500
Equipment	122,392	40,857	-0-	163,249
Total	<u>234,892</u>	<u>40,857</u>	<u>-0-</u>	<u>275,749</u>

NOTE 6 - DEFERRED REVENUE

Deferred Revenue comprises of the following as of year end:

Deferred Ad Valorem Taxes	\$382,730
Deferred State Revenue Sharing	4,529
Total	<u>387,260</u>

WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 7. CHANGES IN GENERAL LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt account group.

	<u>BALANCE</u> <u>1/01/02</u>	<u>ADDITIONS</u>	<u>RETIREMENT</u>	<u>BALANCE</u> <u>12/31/02</u>
Loan Payable	\$275,000	-0-	\$25,000	\$250,000
Vacations Payable	7,303	535	-0-	7,838
	<u>282,303</u>	<u>535</u>	<u>25,000</u>	<u>257,838</u>

NOTE 8 - LOANS PAYABLE

Loans Payable as of December 31, 2002, consist of the following:

\$300,000 Loan Payable to West Baton Rouge Parish Council, bearing interest at 5.50%; principal due November 1 of each year for ten years, and interest due May 1 and November 1 each year until paid off -

\$250,000

The future payments are as follows:

<u>DUE DATE</u>	<u>PAYMENT</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
01-Nov-03	\$38,747	\$25,000	\$13,747
01-Apr-04	37,375	25,000	12,375
01-Apr-05	41,000	30,000	11,000
01-Apr-06	39,350	30,000	9,350
01-Apr-07	37,700	30,000	7,700
01-Apr-08	41,050	35,000	6,050
01-Apr-09	39,124	35,000	4,124
01-Apr-10	42,200	40,000	2,200
Total	<u>316,546</u>	<u>250,000</u>	<u>66,546</u>

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - PENSION PLAN AND RETIREMENT COMMITMENTS

Plan Description.

Substantially all Museum's employees are members of the Parochial Employees' Retirement System of Louisiana ("System"), a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and separate benefit provisions. All employees of the Museum are members of Plan A. All permanent Museum employees working at least 28 hours a week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of credited service, at or after age 55 with 25 years of credited service, or at any age with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final-average salary for each year of creditable service. However, for most employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental plan only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of credited service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employee's Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy

Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Museum is required to contribute at an actuarially determined rate. The current rate is 8.0 percent of annual covered payroll. Contributions to the System also include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Museum are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Museum's contributions to the System under Plan A for the years ended **December 31, 2002, 2001, and 2000**, were **\$8,285, \$7,273, and \$7,880**, respectively, equal to the required contributions for each year.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 10 - POST-RETIREMENT BENEFITS

The Museum does not have any retired employees or Post-Retirement Benefits.

NOTE 11 - COMPENSATED ABSENCES

As of December 31, 2002, employees of the Museum have accumulated and vested \$7,838 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term obligations account group.

NOTE 12 - LITIGATION AND CLAIMS

As of December 31, 2002, there was no litigation pending against the West Baton Rouge Museum, nor was the Museum aware of any unasserted claims.

NOTE 13 - RELATED PARTY

The West Baton Rouge Museum paid the West Baton Rouge Parish Council \$50 per pay period (\$1,300 annually) to prepare its payroll. The Council also provides the Museum with its building.

The Museum has started an addition to the building. The West Baton Rouge Parish Council has issued debt and the Museum reimburses the Council. During 2002 the Museum transferred \$80,250 to Council.

NOTE 14 - COMPENSATION PAID TO BOARD MEMBERS

No compensation was paid to any member of the Board of Control.

NOTE 15 - RISK MANAGEMENT

The Museum is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the Museum carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

February 25, 2003

West Baton Rouge Museum
Port Allen, Louisiana

I have audited the financial statements of the West Baton Rouge Museum as of and for the year ended December 31, 2002, and have issued my report thereon dated February 25, 2003. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

COMPLIANCE

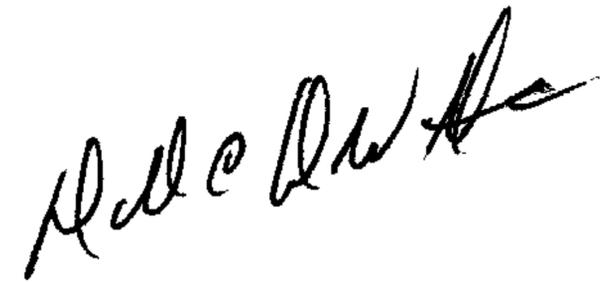
As part of obtaining reasonable assurance about whether West Baton Rouge Museum's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclose an instance of non-compliance that are required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing my audit, I considered East Feliciana Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operations that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect its ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions are described in the accompanying schedule of findings. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, board members, and federal awarding agencies, pass-through entities, and state Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "R. C. [unclear]". The signature is written in a cursive style and is located in the lower right quadrant of the page.

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
PRIOR YEARS FINDINGS
YEAR ENDED DECEMBER 31, 2002

NONE

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
SCHEDULE OF CURRENT YEAR'S FINDINGS
YEAR ENDED DECEMBER 31, 2002

REPORTABLE CONDITION: The following individual funds have actual expenditures over budgeted expenditures for the year ended December 31, 2002:

<u>GENERAL FUNDS</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>UNFAVORABLE VARIANCE</u>
General Fund	\$452,325	\$705,568	\$(253,243)

CAUSE: The Museum originally budgeted \$360,000 in building additions; however, a misunderstanding caused the Director to remove it in subsequent budget revisions.

EFFECT: Expenditures exceeded appropriations.

RECOMMENDATION: The Director now understands the capital budget and will correct the problem in the future.

MANAGEMENT RESPONSE: See corrective action plan.

* * * *

WEST BATON ROUGE MUSEUM
WEST BATON ROUGE PARISH POLICE JURY
PORT ALLEN, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2002

REF NO.	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	NAME OF CONTACT PERSON	ANTICIPATED COMPLETION DATE
1.	Expenditures Exceeded Appropriations	Museum Plans To Budget Its Capital Expenditures	Caroline Kennedy	2-25-03

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